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February 26, 2008

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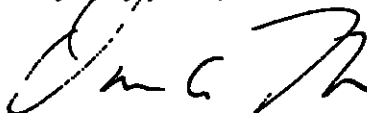
The Honorable Anne K. Quinlan, Esq
Acting Secretary
Surface Transportation Board
Office of the Secretary
395 E Street, S.W.
Washington, DC 20423-0001

**Re: Canadian National Railway Company and Grand Trunk Corporation –
Control – EJ&E West Company (STB Finance Docket No. 35087)**

Dear Ms. Quinlan

Enclosed for filing in the above-referenced docket is a letter in support of the transaction proposed in the Railroad Control Application (CN-2, filed October 30, 2007) by Michael Einhorn, President of the Village of Crete, Illinois. I understand that Mr. Einhorn is mailing the signed original directly to the Board.

Very truly yours,



David A. Hirsh

Counsel for Canadian National Railway Company
and Grand Trunk Corporation

Enclosure

cc. All parties of record



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February 25, 2008

The Honorable Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
Office of the Secretary
395 E Street, S W
Washington, DC 20423-0001

Dear Acting Secretary Quinlan,

I am very concerned that the Surface Transportation Board's consideration of the proposed acquisition of the Elgin Joliet and Eastern Railway (EJ&E) by the Canadian National Railway Company (CN) is being unreasonably influenced by a number of parochial interests, at the risk of not giving adequate consideration of the broad benefits that the acquisition would provide to the surface transportation system in the region. As I have been a "student" of rail operations in the Chicago region for almost fifty years, and the Village President for over twenty years of Crete, Illinois, a town that sees 40-50 freight trains per day, I have a unique perspective of rail operations and the associated impacts on municipalities. I have seen many fundamental changes take place in the railroad industry due to the influences of our ever-changing economy, industry consolidations, and most importantly, increased cooperation between the nation's Class I railroads.

After having read numerous documents on this transaction as offered by various communities, it is obvious to me that a lack of understanding of the needs of current railroad operations, lack of familiarity with STB regulations, and the fear of the unknown that is manifested by a "NIMBY" mentality are major drivers in communities' opposition to this transaction. In an effort to add a sense of balance to the discussion, I offer the following comments:

- First, and most importantly, all concerned parties should realize, up front, that increased traffic on the EJ&E far in excess of what CN is projecting can take place right now without any regulatory approval or community involvement, by the use of trackage rights or haulage agreements. I encourage the STB to recognize this and make sure this fact is transmitted to the local governments. Railroads have the right to adjust their operations to make the best possible use of their assets, as long as they continue to do so safely and in full compliance with all applicable laws and regulations.

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The Honorable Anne K. Quinlan, Esq.

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- The EJ&E has long been viewed by many transportation experts as an underutilized part of the Chicago rail system, due to a lack of interest or motivation on the part of EJ&E management/owners to cultivate additional traffic for the line. Right or wrong, good or bad, it does not lessen the value of the line for increased use as a viable bypass route for the existing, congested railroad operations within the Chicago region. It also has the significant benefit of being available now, without dramatic land acquisitions through populated areas of the region.
- As various railroads' switching/classification operations have been consolidated, the need to seek ways to alleviate local congestion has increased, and the value of the EJ&E has been highlighted by CN's decision to pursue acquiring it. If it wasn't the CN, it would have been another Class I, and the potential of a sale has been out there for years, so it should not be a surprise to anyone.
- Municipalities along the line have been living on borrowed time for decades, unrealistically assuming that rail operations will never change. It is now obvious that most have not anticipated change to be a possibility, have not discussed plans for this day, and now wish to adopt an unrealistic and indefensible position of not allowing CN full flexibility of use of the EJ&E should they receive STB approval to acquire it. This seems somewhat hypocritical, expecting rail operations to be de facto controlled by the desires of individual personalities, especially when their own vehicular traffic patterns continue to increase unchecked. Highway usage growth presents larger and far more consistently negative environmental impacts than the railroads, especially given the fact that railroads are far more fuel-efficient than trucks, and a safer mode of transport.
- It seems highly unlikely that any significant new "green site" rail lines will be built in the Chicago region for use as reroutes for traffic that currently pass through the area. Given that fact, and assuming the future freight volume increases as projected by the Regional Transportation Authority and Chicago Metropolis 2020, I would hope that the STB uses all its powers to ensure that all current routes through and around the city are allowed to be maximized, operate unencumbered by regulatory constraints, and remain as fluid as possible. This will insure that the benefits as well as the impacts are spread more evenly across the entire region, rather than the more limited number of communities that are forced to bear the brunt of train congestion today.
- Even though it is not the charge of the STB to set federal spending policy, weighing in positively by the Board on the need for infrastructure dollars for this area should be highlighted in some significant fashion if future conditions are to improve. This effort needs to be more regional and far reaching than the present CREATE (Chicago Region Environmental And Transportation Efficiency) program provides. As traffic is rerouted to the suburbs, so must dollars to address

- the conflicts. Suburbs do not enjoy the level of grade separations as the City of Chicago does, and it is in public policy interests to minimize the frustrations associated with locations where railroads and the public interface, at public crossings
- Right-of-way encroachment is more commonplace now than in the past, and appears to be largely ignored by the development world, both public and private. It is not clear why that is so, but it is likely that it is entirely profit-driven, with little consideration for the possible long-range conflicts that close location to railroads can have on residents and businesses. This is a serious error in judgment, not attributable to the EJ&E, but has now been placed at their doorstep in this process, with the unfair conclusion that CN would pay the entire costs of any solutions
- The issue of safety at railroad crossings is extremely overstated. Railroads and their operations are to be respected, and are not inherently unsafe as they are being characterized, even with the addition of more trains. Railroads have a commendable safety record, and the assertion that they are unsafe or create unsafe conditions is a blatant distortion. The public is charged with most of the responsibility in this area. Railroad property and its operation needs to be respected at every point of exposure, and proper asset allocation as well as regional cooperation between governments can solve much of the perceived problems. Presently, no community has a totally perfect transportation circumstance, even if they don't have a railroad operating in their vicinity.
- It may be of value to know how many of the complaining local governments have interacted with their local railroad in the past, in an effort to understand and discuss items of mutual concern prior to these current actions. Railroads do have operational latitudes they can use to mitigate some problems, but it sometimes takes educating the local government to the facts before problems can get resolved.
- By way of comparison only, many suburban Chicago municipalities co-exist with much more rail traffic than is being projected in this case. These towns have not died by pollution, noise or hazmat incidents via the railroad, nor has the world come to an emotional end or widespread juvenile carnage taken place as prophesied by some. It can all but be guaranteed that more rail traffic patterns will change in the future with little notice by the public.
- Finally, everything in life has its consequences, and sometimes we are our own worst enemy. The consequences of our demand for all the consumer products and services we enjoy and use can be traced back to transportation in some fashion. It is unrealistic to think that we can avoid any interaction with the modes of transport that make our lives possible, especially railroads, who move much of the raw materials that all of this nation's industries need as they create final consumer

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goods. Transportation challenges are just part of the small sacrifices we all make to exist in the society we have helped create. CN is providing its own money to address this for its customers, and the nation needs to encourage private development of transportation solutions, not throw up obstacles.

I strongly recommend the STB keep these issues in mind as they continue their deliberations. Emotions are not fact. Rail congestion is already here in the region, and any efforts to address this by use of private money should be encouraged and expedited, not dragged on and on

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael St. Binhorn", written over the typed name.

Michael St. Binhorn
Village President

Cc. Ms. Victoria Rutson, Chief, Section of Environmental Analysis
Ms. Phillis Johnson-Ball, Deputy Chief, Section of Environmental Analysis

CERTIFICATE OF SERVICE

I certify that I have this 26th day of February, 2008, served copies of the foregoing letter, transmitting a letter by Michael Einhorn, President of the Village of Crete, upon all known parties of record in this proceeding by first-class mail or a more expeditious method.



Christine Mellen